

MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

**COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND MORTGAGE PROGRAM (MMP)
MARYLAND HOMECREDIT PROGRAM (MHCP)**

BUYER'S AFFIDAVIT

Instructions to Lender.

Borrowers should use this form to apply for:

- an MMP mortgage loan to purchase a single-family residence;
- an MMP mortgage loan to purchase a single-family residence and a mortgage credit certificate ("MCC"); or
- an MCC.

Borrowers should **NOT** use this form if they are applying for a home improvement or rehabilitation loan. See Lender Statements requested on final page.

Instructions to Borrower.

- Check true statements and fill in blanks.
- Attach additional information as necessary.
- If you need help, ask your lender.
- Answer all questions accurately and completely.
- You are receiving a special loan at a below market rate of interest or with the benefit of mortgage credit certificates. The Lender and the Maryland Community Development Administration must rely on your statements in this affidavit to assure that you qualify for this loan.

False or Fraudulent Statements.

False, incomplete, or fraudulent statements may cause a penalty of \$10,000, default and foreclosure on the mortgage, or revocation of mortgage credit certificate in addition to other tax or state law penalties.

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A. Borrower

| | <u>Borrower</u> | <u>Co-Borrower</u> |
|-------------------------|-----------------|--------------------|
| Full Name: | _____ | _____ |
| Current address: | _____ | _____ |
| | _____ | _____ |
| Daytime telephone: | _____ | _____ |
| Social Security Number: | _____ | _____ |

B. Location of Residence

We want to use the MMP or MHCP to finance the purchase of the following residence (the "Residence"):

Address: _____ County: _____

[or **check here** ___ for Baltimore City]

C. Occupants

Total Number of residents (household members) _____

Identify all persons who will live in the Residence:

| | <u>Name</u> | <u>Age</u> | <u>Relationship</u> <u>(if any)</u> |
|-----------------|-------------|------------|--|
| Borrower | _____ | _____ | _____ |
| Co-Borrower | _____ | _____ | _____ |
| Other Occupants | _____ | _____ | _____ |
| | _____ | _____ | _____ |

D. Use of Residence

[Check if true:]

1. _____ We intend to move into the Residence as our principal residence (our home) within 60 days after closing and to continue it as our principal residence after moving into it. We will notify you as soon as the Residence becomes our principal residence or if we cease to use it as our principal residence for any reason.
2. _____ We will not use the Residence in any business, including a home office or a child day care business. *If you intend to use any portion of the Residence in a business, **please check here** _____ and obtain and fill out an "Additional Buyers Affidavit Relating to Business Use of Residence" (Attachment N) obtained from your lender.*
3. _____ We will not lease any portion of the Residence to any other person.
4. _____ If the Residence includes a yard or other land as may be appropriate for basic livability, we will not use the land in any agricultural, nursery or landscaping business.
5. _____ The Residence is a permanent building, either conventional construction or a prefabricated or manufactured housing (double-wide mobile home) on a permanent foundation that meets requirements of Program. It is not a cooperative or an investment property.
6. _____ The Residence is a single-family residence.

[Check (a) or (b):]

- 7.a _____ The Residence is newly constructed housing. We will be the first occupants.
- 7.b _____ The Residence is existing housing that other people have already occupied, either as owners or tenants.

E. Use of Mortgage Proceeds

[Check if true:]

8. _____ We will use the proceeds of our mortgage to finance the purchase of the Residence, or the construction of the Residence, if it is newly constructed housing.

9. _____ We are not using the proceeds of our mortgage to purchase furniture or appliances other than fixtures sold to us as part of the Residence.

10. _____ We are not using our loan to refinance our debt under a prior loan.

*Note: If you are using your mortgage to retire construction financing, a bridge loan, or a "contract for deed" to land **please check here** _____ and attach description.*

11. _____ We are not using the proceeds of our mortgage to pay any settlement or financing costs related to the mortgage loan.

*Note: If your loan is guaranteed by RHS (and the appraised value exceeds the purchase price) and you are financing closing costs in your mortgage, **please check here** _____.*

12. _____ The sales contract submitted with our application is the only contract between the seller and us concerning the Residence. There are no side agreements or other arrangements.

F. Annual Household Income

- *Include all income, whether or not subject to income tax, of the borrowers and other occupants of the Residence, and whether or not you wish to depend on it for evaluation of your credit.*
- *Our annual gross income at the present time is as follows:*

| <u>Item</u> | <u>Borrower</u> | <u>Co-Borrower</u> | <u>Other Occupant of the Residence</u> |
|---|-----------------|--------------------|--|
| 13. Salary – state your annual income based on present salary. Do not deduct withholding taxes. | \$ _____ | \$ _____ | \$ _____ |
| 14. Overtime, bonuses, part- time job, self-employment | _____ | _____ | _____ |
| 15. Alimony, child support, public assistance, sick pay, unemployment compensation | _____ | _____ | _____ |
| 16. Pension and social security | _____ | _____ | _____ |
| 17. Interest, dividends or other investment income or trust income | _____ | _____ | _____ |
| 18. Income from rental of property or business activities | _____ | _____ | _____ |
| 19. Other income | _____ | _____ | _____ |
| Description: | _____ | | |
| 20. Total gross annual income | _____ | _____ | _____ |

| Item | | Other Occupant <u>of</u> <u>the Residence</u> | Other Occupant <u>of</u> <u>the Residence</u> | Other Occupant <u>of</u> <u>the Residence</u> |
|------|---|--|--|--|
| 13. | Salary – state your annual income based on present salary. Do not deduct withholding taxes. | \$ _____ | \$ _____ | \$ _____ |
| 14. | Overtime, bonuses, part- time job, self-employment | _____ | _____ | _____ |
| 15. | Alimony, child support, public assistance, sick pay, unemployment compensation | _____ | _____ | _____ |
| 16. | Pension and social security | _____ | _____ | _____ |
| 17. | Interest, dividends or other investment income or trust income | _____ | _____ | _____ |
| 18. | Income from rental of property or business activities | _____ | _____ | _____ |
| 19. | Other income | _____ | _____ | _____ |
| | Description: _____ | | | |
| 20. | Total gross annual income | _____ | _____ | _____ |

G. Previous Residences

List all principal residences of each Borrower during the last three years and provide the other information requested:

Name of Borrower: _____

| Last Three Years (Begin with most recent year) | Address | Type of Residence (Apartment, Single-family Dwelling, Townhouse) | Rent or Own |
|--|---------|--|-------------|
| From _____, 20__ To _____, 20__ | | | |
| From _____, 20__ To _____, 20__ | | | |
| From _____, 20__ To _____, 20__ | | | |

Name of Co-Borrower: _____

| Last Three Years (Begin with most recent year) | Address | Type of Residence (Apartment, Single-family Dwelling, Townhouse) | Rent or Own |
|--|---------|--|-------------|
| From _____, 20__ To _____, 20__ | | | |
| From _____, 20__ To _____, 20__ | | | |
| From _____, 20__ To _____, 20__ | | | |

Attach additional sheets if needed for additional borrowers.

[Check if true:]

21. _____ Borrower: I have not owned a principal residence in which I resided at any time in the past three years.
22. _____ Co-Borrower: I have not owned a principal residence in which I resided at any time in the past three years.

H. Exceptions to 21 and 22

[Check if true:]

23. _____ I [We] do not own any interest in any land, building, houses, or other real property, except as follows:
- a. _____ I [We] own an interest in a cemetery plot;
- b. _____ I [We] own an interest in the lot on which the Residence will be built;
- c. _____ I [We] own my [our] existing principal residence. It _____ is / _____ is not subject to a contract of sale, and will be conveyed by the time of the closing of this mortgage loan.

Note to Lender: *Exception (c) applies to a mortgage loan financing a Residence in a targeted area or for a "veteran" as defined in 23A below*

Fill in 23A if you want to qualify as a "veteran" Buyer:

[Check if true]:

- 23A. _____ Borrower or Co-Borrower is a veteran. The Borrower or Co-Borrower (indicate which _____) served in the active military, naval, or air service of the United States, was not dishonorably discharged, and has not previously applied for financing under the Maryland Mortgage Program (or an equivalent program in another state), using the special rule for veterans. A copy of DD Form 214 is attached.

I. Purchase Price

24. The contract price for purchase of the Residence is \$_____.
25. _____ A true and correct copy of the sales contract is attached to this affidavit.
26. This is _____ is not _____ the entire amount to be paid to the seller for the Residence. There are no side agreements.

[Check (a) or (b):]

27. a. _____ The Residence as purchased for the above price will be a completed residential unit. "Completed" means suitable for occupancy without the need for additional construction or improvement. Plans for minor repairs or redecorating do not mean the Residence is not completed.
- b. _____ The Residence as purchased will be incomplete. We estimate the cost of completing the Residence at \$_____.

This estimate should not include the value of services to be performed without charge by the borrowers or family (children, parents, siblings) or other occupants of the Residence.

[Check if true:]

28. _____ The purchase price of the Residence includes the cost of the land on which the Residence is located. *[If land was or will be purchased separately **please check here** _____ and attach description.]*
29. _____ The land is subject to a ground lease. *[If true, please attach a description of the ground lease, including the amount of the payments.]*

J. Assets

30. _____ The assets disclosed on the Fannie Mae Form 1003/Freddie Mac Form 65 Application are the total assets of all borrowers.

K. Federal Income Tax Returns

- Attach copies of your Federal income tax returns for the past three years.
- Attach returns for all borrowers.
- If you do not have copies of these returns, attach an executed Form 4506, Request for Copy of Tax Form. This Form authorizes the lender to obtain copies for you.

L. MCC Not Limited to Particular Lenders (for MCCs only)

[check if true:]

31. _____ The requested MCC is not limited to loans from particular lenders because a lender may participate in the MCC program by completing the Department's approval process.

M. Affidavit

We [I] solemnly affirm under penalties of perjury and upon personal knowledge that the contents of this affidavit are true. We understand that we must re-execute a confirming affidavit at closing.

BORROWER (Date)

CO-BORROWER (Date)

INTENTIONALLY LEFT BLANK

LENDER MUST COMPLETE THE FOLLOWING.

A. *[Check if true:]*

32. a) _____ The Residence is located in a targeted area.
 b) _____ We have given the Borrower a copy of the Recapture Tax Notice.

B. *Calculate "Total Acquisition Cost":*

| | | |
|------------------------|--|-----------|
| (1) | Sales contract price | \$ _____ |
| (2) | Personal property (other than fixtures) included in sales contract | -\$ _____ |
| (3) | Cost of completing residence | +\$ _____ |
| (4) | Capitalized ground rent ¹ | +\$ _____ |
| (5) | Greater of cost or fair market value of land owned less than 2 years ² | +\$ _____ |
| TOTAL ACQUISITION COST | | \$ _____ |

C. *[Check if true (applies only for loans for which mortgage credit certificates will be issued):]*

33. _____ We are not originating or financing this loan with proceeds of tax-exempt qualified mortgage bonds or qualified veteran's mortgage bonds issued by the Community Development Administration or any other entity.
34. _____ The Borrower is not related to the Lender through ownership of more than 50% of the outstanding stock of the Lender by the Borrower and/or family relatives of the Borrower.

We [I] solemnly affirm under penalties of perjury and upon personal knowledge that the above Lender statements are true.

LENDER

By: _____

Name: _____

Title: _____

Date: _____

¹ _____ Monthly ground rent multiplied by ground rent factor

² _____ List only if not included in "Sales contract price" above